

**2006****Donated Agricultural Products Transportation Credit****3547**

Attach to your California tax return.

Name(s) as shown on your California tax return

☐ SSN or ITIN ☐ Corporation no. ☐ FEIN

Business address (number and street, PO Box, rural route, or PMB)

Secretary of State file number

City or town

State

ZIP Code

<b>1</b> Eligible transportation costs. See instructions .....	<b>1</b> _____
<b>2</b> Current year credit. Multiply line 1 by 50% (.50). .....	<b>2</b> _____
<b>3</b> Pass-through donated agricultural products transportation credit(s) from Schedule(s) K-1 (100S, 541, 565, or 568). See instructions. ....	<b>3</b> _____
<b>4</b> Total current year donated agricultural products transportation credit. Add line 2 and line 3 .....	<b>4</b> _____
<b>5</b> Credit carryover from a prior year .....	<b>5</b> _____
<b>6</b> Total available donated agricultural products transportation credit. Add line 4 and line 5 .....	<b>6</b> _____
<b>7</b> Enter the amount of credit claimed on your current year tax return ..... <b>■</b> <b>7</b> _____ <b>Caution:</b> This amount may be less than the amount on line 6 if your credit is limited by tentative minimum tax or your tax liability. See instructions.	
<b>8</b> Credit carryover available for future years. Subtract line 7 from line 6 .....	<b>8</b> _____

**General Information**

References in these instructions are to the Internal Revenue Code (IRC) as of January 1, 2005, and to the California Revenue and Taxation Code (R&TC).

**Private Mail Box**

Include the Private Mail Box (PMB) in the address field. Write the acronym "PMB" first, then the box number.

Example: 111 Main Street PMB 123

**A Purpose**

Use form FTB 3547 to figure and claim the donated agricultural products transportation credit, pursuant to R&TC Sections 17053.12 and 23608. Also use this form to claim pass-through donated agricultural products transportation credits received from S corporations, estates or trusts, or partnerships.

S corporations, estates or trusts, partnerships, and limited liability companies classified as partnerships should complete form FTB 3547 to figure the amount of credit to pass through to shareholders, beneficiaries, partners, or members. Attach this form to Form 100S, Form 541, Form 565, or Form 568. Show the pass-through credit for each shareholder, beneficiary, partner, or member on Schedule K-1 (100S, 541, 565, or 568).

**B Description**

For taxable years beginning on or after January 1, 1996, you are allowed a credit of 50% of the eligible transportation costs paid or incurred in connection with the transportation of any donated agricultural product.

**C Qualifications**

To qualify for this credit, you must be engaged in the business of processing, distributing, or selling agricultural products. You may claim the credit for eligible transportation costs paid or incurred in connection with the donation of any agricultural product to a nonprofit charitable organization.

**Certification**

You must receive a certificate from the nonprofit charitable organization certifying that your agricultural product donation is in accordance with the provisions of the California Food and Agricultural Code. You should retain this certificate and provide a copy to the Franchise Tax Board upon request.

**D Definitions**

**Agricultural product** – Any fowl, animal, vegetable or other stuff, product, or article which is customary, or proper food for human beings.

**Nonprofit charitable organization** – A charitable organization that has exempt status under IRC Section 501(c)(3) or R&TC Section 23701d.

**Transportation costs** – Reasonable transportation or travel expenses (including meals) incurred in performing services away from home for qualified organizations if no significant element of personal pleasure, recreation, or vacation is involved. You may include parking fees and tolls in the actual transportation costs; however, you may not include depreciation and insurance. You may determine **eligible transportation costs** in either of the following ways:

- \$.14 (fourteen cents) per mile, or
- The actual transportation expenses.

---

## E Limitations

No credit will be allowed unless you have received a certificate from the donee nonprofit charitable organization certifying donation of the agricultural products.

S corporations may claim only 1/3 of the credit against the 1.5% entity-level tax (3.5% for financial S corporations). The remaining 2/3 must be disregarded and may not be used as carryover. S corporations may pass through 100% of the credit to their shareholders.

If a taxpayer owns an interest in a disregarded business entity [a single member limited liability company (SMLLC) not recognized by California, and for tax purposes is treated as a sole proprietorship owned by an individual or a branch owned by a corporation], the credit amount received from the disregarded entity that can be utilized is limited to the difference between the taxpayer's regular tax figured with the income of the disregarded entity, and the taxpayer's regular tax figured without the income of the disregarded entity.

An SMLLC may be disregarded as an entity separate from its owner, and is subject to statutory provisions that recognize otherwise disregarded entities for certain purposes including the tax and fee of an LLC, the return filing requirements of an LLC, and the credit limitations previously mentioned. Get Form 568, Limited Liability Company Return of Income, for more details.

**Note:** If the disregarded entity reports a loss, the taxpayer may not claim the credit this year but can carry over the credit amount received from the disregarded entity.

This credit cannot reduce the minimum franchise tax (corporations and S corporations), annual tax (limited partnerships, limited liability partnerships, and LLCs), the alternative minimum tax (corporations, exempt organizations, individuals, and fiduciaries), the built-in gains tax (S corporations), or the excess net passive income tax (S corporations). This credit cannot reduce regular tax below tentative minimum tax. Get Schedule P (100, 100W, 540, 540NR, or 541), Alternative Minimum Tax and Credit Limitations, for more information.

This credit is taken in lieu of any deduction otherwise allowable for the same eligible transportation costs. Any deduction allowed for these same costs must be reduced by the amount of credit claimed for the current taxable year (the amount shown on line 7).

**This credit is not refundable.**

## Corporate Members of a Unitary or Combined Group

This credit cannot be allocated or otherwise transferred to another taxpayer, even if the other taxpayer is a member of a unitary or combined group or otherwise affiliated with the taxpayer that earned the credit.

## F Carryover

If the available credit exceeds the current year tax, the unused credit may be carried over to succeeding years until exhausted. Apply the carryover to the earliest taxable year(s) possible. In no event can this credit be carried back and applied against a prior year's tax.

---

## Specific Line Instructions

### Line 1

Enter the eligible transportation costs paid or incurred in connection with the donated agricultural products for which you received certification from the donee nonprofit charitable organization. If you are determining your eligible transportation costs based on mileage, multiply the total miles connected with transporting the donated agricultural product by \$.14 (fourteen cents). Otherwise, enter the actual transportation costs paid or incurred in connection with the donated agricultural products.

### Line 3

If you received more than one pass-through credit from S corporations, estates or trusts, partnerships, or LLCs classified as partnerships, add the amounts and enter the total on line 3. Attach a schedule showing the names and identification numbers of the entities from which the credits were passed through to you.

### Line 7

The amount of this credit you may claim on your tax return may be limited further. Refer to the credit instructions in your tax booklet for more information. These instructions also explain how to claim this credit on your tax return. Use credit code number **204** when you claim this credit. Also see General Information E, Limitations.